



OFFICE OF
INSURANCE COMMISSIONER



The Association of Washington Healthcare Plans

January 18, 2017

The Honorable Patty Murray
United States Senate
154 Russell Senate Office Building
Washington, DC 20515

Dear Senator Murray:

On behalf of all consumers in Washington state, we respectfully request that Congress consider the experience with our state's passage and repeal of health care reform in the 1990s as changes are made to the Affordable Care Act (ACA). We learned important lessons about market stability and affordable coverage options that must be maintained to ensure a stable individual market during a time of transition and reforms.

Hundreds of thousands in our state have obtained coverage through Medicaid expansion and our Health Benefit Exchange. Impacts to Washingtonians must be carefully considered. As stakeholders deeply invested in providing coverage to Washingtonians, we are jointly committed to being a resource as different options are being considered to maximize gains and minimize any disruption to the marketplace.

With those considerations in mind, we offer the following recommendations for moving forward. They are focused on market stability and providing viable health coverage options for consumers. These recommendations also reflect our experience in Washington state in the 1990s of passing and later repealing health care reform.

First, we believe that repeal of the ACA without a clear replacement in place presents a great risk to the stability of insurance markets and the people currently receiving coverage through those markets. However, if a clear replacement is not enacted upon repeal, it is important to take key steps in the transition period to avoid destabilizing fragile markets. Consumers are likely to avoid buying health insurance plans if they do not know which important benefits and financial resources are available to them. This would put further strain on the individual health insurance market and could again lead to an individual market collapse similar to the one we witnessed in our state in the 1990s.

We further recommend an educational outreach effort to make clear when changes will be made to existing coverage and options that are available.

Second, it is critical that there be a mechanism in place to provide meaningful incentives for people to obtain and keep coverage. Without strong incentives, we fear that only the sick will keep coverage, resulting in increasingly unaffordable individual plans. This will eventually jeopardize the stability and

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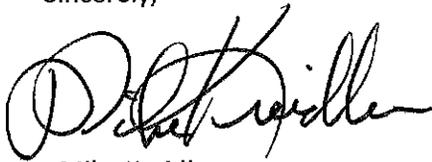
sustainability of the entire individual market. This is what happened in Washington in the 1990s. The state passed the Health Services Act of 1993, which included a mandate and guaranteed coverage. Two years later, the Legislature repealed the mandate.

Premiums soon soared – some as high as 78 percent. Eventually, consumers could not buy an individual health plan in our state as all insurers stopped offering individual coverage.

The basic principle of health insurance is that it works best when everyone participates – the young and the old, the healthy and the sick.

We want to highlight for the Congressional delegation the fact that the regulator and the industry are aligned on the importance of this issue. As an association representing health plans that cover over 5 million residents in Washington state and the elected official who regulates our insurance market, together we are dedicated to improving health care and the lives of the consumers we serve. We are ready and willing to work with Congress on viable options to improve health care. We would welcome the opportunity to discuss in more detail our concerns and recommendations at this pivotal time.

Sincerely,



Mike Kreidler
Insurance Commissioner



Molli Robertson
Association of Washington Healthcare Plans

AWHP is an alliance of licensed Health Maintenance Organizations (HMO), Health Care Service Contractors (HCSC), & Disability Insurers. Its diverse membership is comprised of local, regional, & national healthcare plans of varying size, serving the needs of consumers, employers, & public purchasers. Together, they provide health care coverage to over 5 million residents of Washington State. AWHP members include Aetna, Amerigroup, Cambia Health Solutions, CIGNA, Community Health Plan of WA, Coordinated Care, Group Health Cooperative, Health Net, Kaiser Permanente, Molina, Premera Blue Cross, Providence Health Plan, & UnitedHealthcare.